

SENATE BILL REPORT

SB 5686

As Reported By Senate Committee On:
Water, Energy & Telecommunications, February 23, 2007

Title: An act relating to allowing public utility districts to disburse low-income energy assistance contributions.

Brief Description: Allowing public utility districts to disburse low-income energy assistance contributions.

Sponsors: Senators Zarelli, Benton, Pridemore, Kline and Rasmussen.

Brief History:

Committee Activity: Water, Energy & Telecommunications: 2/13/07, 2/23/07 [DP].

SENATE COMMITTEE ON WATER, ENERGY & TELECOMMUNICATIONS

Majority Report: Do pass.

Signed by Senators Poulsen, Chair; Rockefeller, Vice Chair; Honeyford, Ranking Minority Member; Delvin, Fraser, Holmquist, Marr, Morton, Oemig, Pridemore and Regala.

Staff: Jan Odano (786-7486)

Background: The Low Income Home Energy Assistance Program (LIHEAP) is a federally funded block grant that provides money to help low income households with their home energy costs. The Department of Community, Trade and Economic Development (CTED) is the state administering agency for LIHEAP. CTED coordinates distribution of funds through a statewide network comprised of 24 local community-based nonprofit organizations and three local governments.

Eligibility for the program is generally restricted to household incomes at or below 125 percent of poverty, and is based on annual heating costs, family size, and income. Approximately 72,000 households, or 24 percent of the eligible population, received benefits during the 2006 program year. The benefit amounts ranged from \$25 to \$750, which covered 50 to 90 percent of actual heating costs. The average statewide assistance in the 2006 program year was \$350 per household.

Public utility districts (PUD) may request voluntary contributions from their regular customers to help low-income residential customers pay their electricity bills. All contributions must be used to assist low-income residential customers. These funds do not reduce the amount of assistance for which the district's customers are eligible under the federally funded program. The PUD must transmit all contributions to the local community-based nonprofit organization

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within the PUD's service area that administers the low-income energy program. The nonprofit organization disburses funds to the PUD on behalf of the customer.

Summary of Bill: A public utility district may retain voluntary contributions from its regular customer to provide assistance to low-income residential customers with their electricity bills. All contributions for assistance to low-income residents must be used only to supplement assistance to low-income residential customers of the district in paying their electricity bills. The PUD is responsible for determining customers qualified for low-income assistance and the amount of assistance to provide.

Appropriation: None.

Fiscal Note: Not requested.

Committee/Commission/Task Force Created: No.

Effective Date: Ninety days after adjournment of session in which bill is passed.

Staff Summary of Public Testimony: PRO: The bill reduces administrative steps and costs. The PUD has determined that it can save 10 percent that is spent for third party administrative costs. The PUD can provide these additional funds to assist its low-income customers with paying their electricity bills.

Persons Testifying: PRO: Robin Appleford, Clark PUD.